



Statement
of the
Illinois Hospital
Association

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**ILLINOIS HEALTH CARE REFORM IMPLEMENTATION COUNCIL
TUESDAY, OCTOBER 5, 2010**

HEALTH CARE REFORM AND WORKFORCE DEVELOPMENT/RETENTION

INTRODUCTION

On behalf of 200 hospitals and health systems across Illinois, the Illinois Hospital Association (IHA) and the hospital community thank you for the opportunity to comment on health care workforce issues, primarily a growing shortage of qualified health care workers. Health care reform offers a great opportunity to improve the lives of our communities by working together to transform our state's health care delivery system from one that is frequently uncoordinated and fragmented to a true system of care – one that is coordinated, collaborative and accountable. Key to that effort is developing and sustaining an adequate number of qualified health care professionals to provide a range of health care services across the state.

However, like hospitals across the nation, Illinois hospitals' ability to render their services are threatened as they continue to face both an immediate need for qualified physicians and staff and a long-term shortage of health care workers in many health care job categories. An aging baby boomer population, inadequate educational capacity, financial constraints, and other stresses have contributed to both an increased demand for health care services and corresponding occupational shortages.

The ongoing challenges of attracting and retaining replacements for both retiring practitioners and academic faculty, and meeting the growing need for more health care services, has been an area of acute need and some collaborative activity in recent years. Yet, the promise of health care reform imposes additional and unprecedented demand requiring new ways of thinking, collaborative efforts and action from our state government. **Most importantly, the state needs to develop and intentionally realign its infrastructure to meet the increasing demand for our health care manpower.** Our hospitals sincerely appreciate the Illinois Health Care Reform Implementation Council's efforts to encourage the involvement of interested stakeholders and the public in your statewide forums to address workforce development and retention.

ISSUES

State Support Necessary to Implement Innovative and Redesigned Delivery Models

Expanding Illinois health care workforce is a complex challenge requiring initiatives and solutions that address numerous points on the supply continuum, including career awareness, student preparation, educational capacity, licensure, and recruitment and retention. Illinois needs to support strategies and resources that coordinate federal, state and local workforce development efforts, and to connect

workforce education with the delivery of health care services. The Patient Protection and Affordable Care Act provisions for coverage expansion to 1.9 million Illinoisans will compound demands on an already inadequate health care workforce. The Act's emphasis on primary care providers to improve patient access and quality outcomes will exacerbate the increased need for physicians and mid-level providers, such as advanced practice nurses and physician assistants. Furthermore, current shortage projections for these providers and other practitioners fail to account that there must be changes in the way care is organized, delivered and financed. Redesigning work processes and incorporating new technologies to improve patient outcomes, and increase efficiencies and employee satisfaction have to be supported by updated state processes and oversight. **Exploring approaches and eliminating barriers to allow for the expanded use of advanced practice nurses and physician assistants to meet the heightened demand for services offers an important example of how our state's infrastructure must change to complement new health care delivery models and available manpower resources.**

The state must evaluate the laws and regulations on licensure, scope of practice and payment to anticipate and expect that our citizen's health care will no longer benefit from individual professions protecting their turf. Instead there must be a rapid paradigm shift to integrate education and practice so that Illinois' "new normal" emphasizes demonstrated initial and continuing professional competence, facilitates overlapping scopes of practice, and allows all professionals to provide services to the full extent of their knowledge, training, experience and skills. The state has to play a key role in eliminating any barriers to health care workforce development and deployment.

State Involvement Needed To Address Physician Supply and Retention

Illinois' physician workforce is critical to the delivery of health care to our citizens. Recruitment challenges experienced by our hospitals across the state and increasing wait times for patient appointments raise serious concerns about an increasing shortfall of physicians. It takes at least 11 years from the time a high school graduate begins preparing for medical school to be fully qualified as a practicing physician. The actual training period varies for each specialty. Illinois hospitals are investing in physician training at a cost greater than the funding that Medicare provides. Yet, national data indicates that Illinois is one of six states regarded as a net exporter of new physicians (American Association of Medical Colleges).

In addition, Illinois-specific information about our state's physician workforce, and other health care professionals, is minimal and fragmented. Ongoing, objective data collection and information to assist policy makers, health care organizations, professional and educational organizations, and the public is essential. These stakeholders need data so they can analyze trends in supply, demand, distribution and use of health care workers. Without accurate information, efforts to identify and align effective strategies for enhancing Illinois' workforce resources to meet our patient care needs is left to a costly and inefficient "hit or miss" approach. **While the state has expended efforts for nursing data through the Illinois Center for Nursing, located within the Department of Financial and Professional Regulation (IDFPR), there is an urgent need to expand that initiative and at the very least, add physician workforce data with the intention to progressively include all the major health care occupations, e.g. physician assistants, pharmacists, physical therapists, etc.**

The following highlights some of what is known about the physician workforce:

- According to national estimates, 36% of active physicians are over 55 and most will retire by 2020. Illinois-specific data on physician retirement is unknown;
- Shortage projections for 2020 range from 55,000 (Department of Health and Human Services) to 85,000 (Council on Graduate Medical Education) to 200,000 quoted in *Health Affairs* (assumes national universal health coverage plan);
- Many reports indicate that many of today's younger physicians, both male and female, are choosing to work fewer hours than their older colleagues, thereby increasing the actual physician replacement need;

- In 2006, the American Association of Medical Colleges (AAMC) recommended a 30% increase in the number of medical school graduates, and as of 2008, enrollment had increased by 21%. However, GME-funded residency positions remain at 1996 levels capped by the Balanced Budget Act of 1997;
- 2010 reform legislation did not change the government-funded number of GME positions;
- While Illinois exceeds the national average of medical residents per population, our state faces a significant mal-distribution issue, with southern Illinois having less than half the national average in residency training slots;
- The University of Illinois is the largest medical school in the country with approximately 1,100 students, and many attend from out of state. A 2010 Physician Workforce Study, funded by Northwestern University's Feinberg School of Medicine, IHA and the Illinois State Medical Society, determined that the primary reason for newly trained physicians to leave Illinois following residency training includes the desire to return to their home state and be near family and friends. Secondary reasons included the medical malpractice liability environment and the desire to locate in an area with lower costs of practicing medicine.

IHA urges the state to align its infrastructure and adopt policies that will assure patient access to physician and primary care services across Illinois; distinguish Illinois as a physician-friendly state to learn and practice medicine; and promote use of mid-level providers and technology to bridge health care service gaps. To that end, **we encourage consideration of the following recommendations:**

- Develop an ongoing Illinois physician profile aggregating information from multiple state agency databases (IDFPR, Illinois Department of Employment Security, HFS, etc.) that includes demographic data such as:
 - practice retention rate for physicians who completed final course of graduate medical education in Illinois;
 - general or specialty practice;
 - regional distribution;
 - percentage of practice dedicated to direct patient care activities;
 - gender; and
 - retirement projections;
- Support admission and completion requirements for medical education that incorporate incentives to encourage retention of qualified physician graduates for practice in Illinois;
- Support pilots and efforts to recruit and retain medical students, physicians and mid-level providers who will practice in rural, underserved and shortage areas;
- Offer incentives to providers for physician workforce development and integrated training with other health care disciplines, especially mid-level providers; and
- Help position Illinois as a physician-friendly state by supporting initiatives that create a fair medical malpractice environment.

State Must Assist Efforts to Coordinate Workforce Development and Deployment

Illinois hospitals are local employers that provide essential health services to their communities. As an industry, IHA members rely on a highly educated and skilled workforce, employing many professionals with advanced postsecondary degrees. Hospitals across Illinois are engaged in a variety of efforts to create an excellent workplace environment and provide rewarding career opportunities for their employees. Currently, Illinois hospitals directly employ 255,890 people, with each job supporting an additional 1.1 jobs in other businesses and industries. Every dollar that hospitals spend on goods, services and payroll, generates an additional \$1.40 in spending throughout the state and results in a total annual impact of \$75.1 billion on the state's economy. Health care and social assistance are projected to create the greatest number of jobs of any sector in Illinois – nearly 150,000 jobs by 2018, and the vast economic activity generated by the health care sector makes it the sixth highest contributor to the state's Gross Domestic Product, accounting for 6.8% of Illinois' economic activity.

Hospitals are concerned about the lack of coordination among area educational institutions, economic development agencies, and employers to align area educational resources with employer opportunities. Not coordinating workforce needs with educational curricula within a community has often led to either an undersupply of qualified candidates for local employers or an overproduction of graduates in areas the economy cannot support. In addition, today's junior high and high school students by and large have limited skills in math, science, and critical thinking, and are not prepared for health care studies leading to entry level professional positions. Hospitals' inability to recruit and employ area residents due to insufficient student preparation may negatively impact the local economy.

In the absence of qualified candidates, Illinois hospitals have had to expend more resources – both time and money – offering remediation support and/or recruiting from outside their respective communities. While every Illinois hospital is impacted by shortages, the problem is most acute in our downstate and rural communities.

This is of great concern to hospitals who must hire qualified and skilled individuals with advanced degrees as the majority of Illinois' licensed health care occupations require an education at or beyond a baccalaureate degree. If large segments of Illinois' working-age population do not pursue and complete postsecondary studies, hospitals are likely to face even larger shortages of qualified health care professionals. Hospitals may need to import qualified workers from out-of-state or compete with other industries for a limited pool of educated "homegrown" candidates. Not having an adequate number of qualified health care workers with advanced degrees potentially limits a hospital's ability to provide quality health care services to its community.

Furthermore, the state must be cognizant of proposed and existing laws impacting workforce supply, education and practice. The Illinois Center for Nursing is a positive example. It was created by statute in 2007 to bring nurse leaders from academia and health care service together to address our state's nursing shortage. Significant progress has resulted from their efforts, including a 25% increase in educational capacity for students pursuing a nursing career. However, other laws and rules unduly challenge health care workforce development. For example, over the past decade nurse-to-patient ratio legislation has been introduced and defeated by the Illinois General Assembly. Mandated ratios presume evidence-based support for the prescriptive proposal, when actually none exists. Static staffing strategies also ignore the reality that it is an interdisciplinary team of health care professionals working together delivering quality patient care and meeting the dynamic nature of patient needs 24 hours a day, 7 days a week, 365 days a year.

As an alternative to static ratios, IHA, in collaboration with the Illinois Nurses Association, has worked over the years with the General Assembly to support the enactment of several landmark pieces of legislation designed to enhance nurses' work environment, increase the nurse supply, and promote patient safety. As a result, our hospitals use staffing strategies centered on patient acuity and nurses' ongoing input, provide public access to reports about nurse staffing correlated to patient outcomes, and evaluate staffing patterns related to reportable adverse events. These efforts support professional nursing and the public's interest and complement the dynamic and complex nature of health care delivery. While the legislation represents steps in the right direction, health care reform demands more from all of us.

The new federal law underscores that current spending on health care is not sustainable and requires that inefficiencies and waste are removed from our delivery systems. It is more imperative than ever before to ensure that any legislative and regulatory actions proceed with a deliberate rationale to allow for workforce and educational initiatives that best promote positive patient outcomes and a healthy public. Health care reform expands today's health care team approach to one of enhanced coordination and integration across the care continuum – and by necessity, imposes the same for our educational partners. Our state must recognize that current oversight processes for professional practice, organizational operations and corresponding educational programs have to change to support rapidly evolving new models of care and an ability to integrate evolving science and technology. **This means there must be interagency awareness and alignment so that any government agency involved in an aspect of**